5909786/2022/PROG-I-INC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department –Andhra Pradesh Export Promotion (APEX) Policy 2022-27- Orders – Issued.

INDUSTRIES & COMMERCE (PROGRAMME-I) DEPARTMENT

G.O.Ms.No.24 Dated:17-05-2022

Read the following:

1. File No.10094/P&I/A1/2017 Computer No: 290141.
2. File No.INC01-IND0CIET/48/2022-PROG-I Computer No: 1722126.
3. Minutes of the State Investment Promotion Board Meeting held on dt. 12.05.2022.

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ORDER:-

Government of India is encouraging states to promote exports to meet ambitious target of reaching USD 400 Bn of merchandize exports. In order to capture the potential, Government of Andhra Pradesh aims to give a holistic **'PUSH'** to exports from the State. The PUSH framework- **promotes** value addition in exports**, Upgrades** Infrastructure and Institutions, **Streamlines** processes and **Harnesses** digital technology, to ultimately emerge hotspot for exports.

2. In this context, the State Investment Promotion Board in its meeting held on 12.05.2022 has approved the Andhra Pradesh Export Promotion (APEX) Policy 2022-27, as per the recommendations of State Investment Promotion Committee meeting held on 11.05.2022.

3. Accordingly, Government after careful examination of the matter, hereby notifies "Andhra Pradesh Export Promotion (APEX) Policy 2022-27" as appended in **Annexure-I**, to establish Andhra Pradesh as a leading export hub in the country through development of world class logistics and export infrastructure, promotion of high-quality product portfolio, enabling robust export-oriented institutions and creating integrated export ecosystems from districts to ports. The salient features of policy are as follows.

A. Creation of institutional mechanism

i. District Level Set-up

District export action plans with quantifiable targets have been prepared in line with GoI initiatives, to promote District as "Export Hub". The following mechanism has been put-in place for better coordination and synergy between the stakeholder departments.

a. **A dedicated Export Facilitation Cell has been established in** District Industries Centre with a mandate to conduct workshops for capacity building, extend guidance to the exporters in

(P.T.O)

pre-investment, investment and post investment period and take necessary steps to develop District as Export Hub.

b. **District Industrial and Export Promotion Committee (DIEPC)** under the Chairmanship of District Collector has been constituted with a mandate to promote exports and implement the action plan in identification of potential export products.

ii. **State Level Set-up**

a. **State Export Facilitation Cell**

APTPC has been notified as Dedicated State Export Facilitation Cell to provide guidance and support services to the manufacturer exporters in the entire project life cycle and also guide Export Facilitation Cells in Districts.

b. **State Export Promotion Committee**

The State Export Promotion Committee has been constituted under the Chairmanship of Chief Secretary to Government with Commissioner of Industries as Convenor and Regional Authority, DGFT as Co-Convenor along with other stakeholder departments as members, to resolve the issues related to export promotion including speedy customs and state clearances.

iii. **Development of Enabling Infrastructure**

Government proposes to develop the following, enabling robust export-oriented infrastructure and creating integrated export ecosystems for making the State as an Export Hub.

i. Transport Infrastructure: Roadways, Railways, Airways, Port Infrastructure, Greenfield Fisheries Harbors and Development of Inland Waterways.
ii. Development of Multi Modal Logistic Parks.
iii. Developing Ware Housing Capacity.
iv. Developing Cold Storage Chain.
v. Inland Container Depots.
vi. Free Trade Warehousing Zones (FTWZ).
vii. Export Promotion Councils.
viii. Digital Interventions - access to Information

An exclusive Web-Portal will be put in place to give access all the information related to export promotion at single point.

iv. **Other support Measures**

a. Creation of Labs for Quality Standards and Marketing support.
b. Training & Capacity Building of exporters.
c. Fiscal Incentives.

(Contd.3)

4. In order to increase Private Participation in the development of Export infrastructure such as Warehouses, ICD, Cold Storages, FTZ, MMLPS, Government of Andhra Pradesh proposes to extend the following incentives /facilities.

i. **Subsidy for Reefer Vehicles**: Investment subsidy of 25% of cost of reefer vehicles limited to INR 10Lakhs per vehicle (with maximum of two vehicles per unit).

ii. **Subsidy on Certification Charges**: Additional 10% subsidy over the subsidy given by GoI to the MSMEs availing quality certification under ZED scheme.

- For compulsory marking like Conformity European(CE), China Compulsory Certificates (CCC), Good Manufacturing Practices (GMP), Phytosanitary certificates, Global Food Safety Initiative (GFSI) recognized schemes etc., Reimbursement of 50%certification cost subject to a maximum of INR 2 Lakh per unit per annum.
- An additional 5% subsidy to be extended for women, SC, ST and other backward community run MSME units.

iii. **Participation in International Trade Fairs**: 30% subsidy in Ground rent for participation in International Trade Fairs.

iv. **Establishing Corpus Fund for Marketing:** The state will create a corpus fund of INR 10 Cr for the promotion of exporters, marketing of export produce and building market facilitation centers in all districts.

v. **Awards & Recognition for Exporters:** Major export awards like Best Exporter Award and Award for Quality and other categories of awards to encourage young entrepreneurs will be instituted by the State Government in partnership with organizations like FIEO, FICCI, APEDA, MPEDA etc. for selecting the award winners.

5. The Director of Industries, C&EP, Mangalagiri is requested to take necessary action accordingly.

6. This order is issued with the concurrence of Finance (FMU - I&I, Energy and I&C) Department, vide their U.O.No.FIN01-FMU0ASD(IIE)/47/2021-FMU-IIEIC (Computer No:1439833), Dt. 11.05.2022.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, C&EP, A.P., APIIC Towers, Mangalagiri.
The CEO, APMSME Development Corporation, Vijayawada.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Mangalagiri.
The Vice Chairman & Managing Director, Andhra Pradesh Trade Promotion Corporation Ltd., Vijayawada.

Copy to:
G.A. (Cabinet) Department.

(Contd.4)

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All District Collectors.
All Departments in Secretariat.
The Finance (FMU - I&I, Energy and I&C) Department.
Ind. & Com. (Infra & P&I) Department.
P.S to Spl. Chief Secretary to Hon'ble C.M.
OSD to Hon'ble Minister for Industries & Commerce.
P.S to C.S to Government.
P.S to Spl. Chief Secretary to Government & CIP.
Sf/Sc

//FORWARDED :: BY ORDER//

SECTION OFFICER

Annexure- I

Andhra Pradesh Export Promotion (APEX) Policy 2022-27.

1. PREAMBLE

Andhra Pradesh is strategically located and is a natural gateway to East & Southeast Asia for trade and commerce with a 974 km long coastline, the 2nd longest in India with 14 notified non-major ports (5 functional ports) and one major port (Visakhapatnam) along its coastline. The State is well linked internally as well as to the rest of the World through its robust infrastructure with conducive environment for business to flourish, Investor friendly policies, coupled with availability of abundant resources, large industrial land banks, and skilled labour have made the State a globally competitive investment destination. Added to this, the three Major industrial corridor projects viz Visakhapatnam-Chennai Industrial Corridor (VCIC), India's first coastal corridor spread across the State, the Chennai-Bangalore Industrial Corridor (CBIC), Hyderabad-Bangalore Industrial Corridor and Petrochemical and Petroleum Investment Region (PCPIR) with 640 Sq.km, stretching of from Kakinada to Visakhapatnam is poised to play a critical role in driving the exports.

AP contributes to 5.8% of total Indian exports. The State exported goods worth of INR 1.24 lakh Cr (**USD 16.9 Billion) in the FY 2020-21, accounting for** 19.14% of GDP. The export during 2021 -22 (upto to Nov 21), stands at 22.88 Billion, recording a **growth rate of 36%** over the previous year.

Andhra Pradesh has got **ninth place** in overall ranking as per the Export Preparedness Index 2021 released by Niti Aayog. AP has improved its performance in various indicators and rose to the ninth place **from 20th rank in 2020**. Another achievement of AP is that it **stood second, next to Gujarat in exports performance pillar**.

The State has **Fourth Largest** warehousing capacity of 13.38 Lakh MT, accounting to 8.8% and **Fifth Largest** cold storage capacity of 15.67 Lakh MT, 3 Inland Container Depots (ICDs) and 17 Container Freight Stations (CFSs), 5 Air Cargo Terminals, 283 Rail Road Goods Sheds with 16

Logistic Training Centres, coupled with 4 Agri Export Zones (AEZ), 25 Special Economic Zones (SEZ) & 70 Export Oriented Units (EOUs), providing strong eco-system for exports.

The State is also ranked as the best state in India in "Ease of Doing Business" for three consecutive years as per the rankings compiled by the World Bank and Department for Promotion of Industry and Internal Trade (DPIIT), Government of India.

In order to diversify the exports, the State focuses on Champion Sectors (Marine & Sea Food, Pharma & Formulations, Organic Chemicals, Iron & Steel, Ship, Boat & Floating Structures, Rice & Cereals, Spices & Coffee, Automobile & Components, Imitation Jewellery) and aspirational sectors (Ready-made Garments, Processed Stone, Processed Food and Electronic Components) to capture the potential for value addition.

The combination of these factors makes Andhra Pradesh one of the leading destination for Exports.

2. CHALLENGES

1. Improvements in the Infrastructure
2. Inadequate Testing Laboratories, R&D and Quality related issues
3. Fragmented Institutional Frame work
4. Transport Connectivity
5. Access to Finance

3. VISION

The vision of the policy is to "Establish Andhra Pradesh as a leading export hub in the country through development of world class logistics and export infrastructure, promotion of high-quality product portfolio, enabling robust export oriented institutions and creating integrated export ecosystems from districts to ports".

4. OBJECTIVES:

a. To achieve Top position in the Country in Export performance in the Policy period.
b. To achieve exports of Rs.3,50,000 Crores in 5 years from the existing exports of Rs.1,70,500 Crore.
c. Encourage value addition and export diversification while discouraging the export of basic commodities.

5. STRATEGY

Through this policy, GoAP aims to give a holistic **'PUSH'** to exports from the State. The PUSH framework - **Promotes** value addition in exports, **Upgrades** Infrastructure & Institutions, **Streamlines** processes and **Harnesses** digital technology to ultimately emerge as an export hotspot with the following strategies addressing the challenges.

i. Digital Interventions - access to Information
ii. Creation of Enabling Infrastructure
iii. Institutional Framework
iv. Capacity Building and Skilling
v. Quality Standards and Market Support
vi. Support to Export Promotion

5.1. DIGITAL INTERVENTIONS - ACCESS TO INFORMATION

An exclusive Web-Portal will be put in place to give access to information related to export promotion at single point. This portal provides dash Board of trade statistics along with data bank of exports, updates on trade fairs, virtual showrooms, visibility of exportable products, potential export markets, infrastructure availability, grievance redressal, latest news, market intelligence, Generate Market reports, compendium of Standards and regulations, investor feedback etc.

The State will come up with a mobile application called PLACE (Platform for Logistics and Cargo Effluence) in co-ordination with Gati Shakti program of Government of India, to improve the logistics efficiency for the Cargo movement and regulate the state of affairs of logistics movement in the State. The PLACE app will also promote RAIL SUGAM and Freight Operation Information System (FOIS) applications of Indian Railways to encourage use of railways for freight movement. The app will also benefit the exporters in finding dry-ports in vicinity, booking and tracking of containers, cost estimates for transportation of the cargo etc.

5.2 Creation of Enabling Infrastructure

5.2.1 Developing Ware Housing Capacity

The State currently has only about 13.38 Lakh MT per annum of warehousing capacity and the same will be augmented to 56 Lakh MT during the policy period to meet the growing demand.

5.2.2 Developing Cold Storage Chain

Andhra Pradesh also needs substantial expansion of cold storage infrastructure, which is critical for ensuring quality and maintaining shelf life of products. Currently, the State has Cold storage capacity of 15.67 Lakh MT Cold Storage. To meet the growing demand, more such facilities would be promoted for safe handling of exports through private participation and under Central assistance on Mission for Integrated Development of Horticulture (MIDH) scheme in consultation with Agriculture and Processed Food Products Export Development Authority (APEDA) & Marine Products Export Development Authority (MPEDA).

5.2.3 Sea Food Processing Infrastructure

Government of Andhra Pradesh would set up 5 animal feed supply depots in coastal districts to provide good quality shrimp feeds. The State will also develop a multimodal cold-chain network which shall involve two or more modes of transport for facilitating transportation and storage of perishable products.

The State will develop 9 Fishing harbors along with Sea Food Processing parks that include ice plant, individual Quick Freeze (IQF) facilities, fish & shrimp quarantine facilities, aqua labs in the coastal districts.

5.2.4 Multi Modal Logistics Hubs

Government of India approved 2 Multi Model Logistics Parks (MMLP) to Andhra Pradesh, out of the 35 MMLPs approved across the country, under Bharatmala Pariyojana Scheme.

Government of Andhra Pradesh exchanged an MoU with National Highways Logistics Management Limited (NHLML) for development of Multi Model Logistic Parks at **Visakhapatnam and Ananthapur** with the support of Government of India, to capitalize on such opportunities and position Andhra Pradesh as a hub of logistics in South East India. In addition to this, one more MMLP is proposed at YSR Kadapa District.

5.2.5 Inland Container Depots

To develop required ICDs in PPP mode, in the State during the policy period as per guidelines of GoI to facilitate aggregation of freight from hinterland states along with the cargo from the surrounding districts.

5.2.6 Improving Port Connectivity

Developing 4 mote greenfield ports, to **Triple** seaport **traffic handling capacity,** from current 169 MMTPA, in the policy period. Government in collaboration with Railways and allied agencies will facilitate exporters in utilizing Cargo handling services and GoAP would also add LNG and cruise terminals as well.

The government will pursue to increase direct shipping lines beyond Japan, Korea and China to key countries such as US and Europe by creating export opportunities for the exporters in the State. Maintain average turn around time of all non-major ports in Andhra Pradesh at 1.4 days from current 1.7 days

5.2.7 Water Ways

Development of Inland waterways as a cheaper means of transport, utilizing 888 Km of national waterway network available in the State and identified 27 locations identified as prioritized terminals.

5.2.8 Free Trade Warehousing Zones (FTWZ):

To remove hindrances to trade caused by high tariffs and complex customs regulations, FTWZ are being promoted in the State in addition to the One FTWZ operational in Sricity, Chittoor.

5.2.9 Maritime Cities/ Maritime Economic Zones

Marine clusters will also act as knowledge hubs, catering to skills required for marine sector activities which can add synergistic benefits to each other.

5.2.10 Augment Air Cargo facilities

Expand and develop integrated Air Cargo Complex, housing both domestic and international cargo terminals under one roof at Visakhapatnam airport. GoAP, will take initiatives to create hub and spoke model connecting flights to International Airports in Visakhapatnam, YSR Kadapa and Tirupati airports.

5.2.11 Road connectivity and Storage

A detailed study on Road connectivity to remote locations will be conducted to increase the efficiency in freight movement to the ports. Additional stoppages for provisioning of truck lay-bys will be created across various highway locations within the state.

5.2.12 Export Promotion Councils

Government of Andhra Pradesh is pursuing with Government of India for establishment of Centres of Excellence in the thrust sectors for the benefit of local entrepreneurs and exporters.

The above enabling infrastructure will be developed through private participation as per the relevant policies notified by the Government of AP.

5.3. Institutional Frame Work

As the subject of exports is in the Union list, in order to resolve the issues of the state exporters, there is a need for proper institutional mechanism for better coordination and synergy between the State and Central, State and Districts for promotion of Exports and turning Districts into **Export Hubs.**

The Commissioner of Industries is the Implementing Agency of Export Promotion Policy, supported by the AP Trade Promotion Corporation and also for establishing and facilitating trade promotional activities and infrastructure in coordination with the other stakeholder departments.

A. **District Level Set-up**

District export action plans with quantifiable targets have been prepared in line with GoI initiatives, to promote District as "Export Hub". The following mechanism has been put-in place for better coordination and synergy between the stakeholder departments.

a. **A dedicated Export facilitation Cell has been established in** District Industries Centre with a mandate to conduct workshops for capacity building, extend guidance to the exporters in pre-investment, investment and post investment period and take necessary steps to develop District as Export Hub.

b. **District Industrial and Export Promotion Committee (DIEPC)** under the Chairmanship of District Collector has been constituted with a mandate to promote exports and implement the action plan in identification of potential export products.

- Creation of sub groups for each identified potential export product – involving stakeholders like manufacturers, artisans, exporters of the identified products.
- Identification of bottlenecks for exports of potential products and skill requirements.
- Review the progress regularly in DIEPCs Co-chaired by DGFT representative to monitor and implement the action and resolve the issues, if any.
- Issues if any, need intervention of GoAP or GoI shall be brought to the notice of State Level Export Promotion Committee.

B. State Level Set-up

a. **State Export Facilitation Cell**

APTPC has been notified as Dedicated State Export Facilitation Cell to provide guidance and support services to the manufacturer exporters in the entire project life cycle and also guide Export Facilitation Cells in Districts.

b. **State Level Coordination Committee**

The State Export Promotion Committee has been constituted under the Chairmanship of Chief Secretary to Government with Commissioner of Industries as Convenor and Regional Authority, DGFT as Co-Convenor along with other stakeholder departments as members, to resolve the issues related to export promotion including speedy customs and state clearances.

5.4. Quality Standards and Marketing support

5.4.1. Quality Standards

- In the existing ICDs, office space will be provided for **Participating Government Agencies** (PGAs) to reduce the time for sample testing.
- The State machinery will assist MPEDA in on boarding all the fishing boat operators and implement the catch certificate to improve competitiveness of marine exports.
- Establish Aquatic Quarantine Lab facilities near Visakhapatnam and Kakinada Ports.
- NABL accredited Quality Testing Labs/infrastructure facility will be strengthened by upgrading existing labs and by establishing new world class testing labs throughout the coastal areas on PPP mode.
- Government, in consultation with FSSAI, will also introduce 50 food safety on wheels (FSWs) to improve food testing infrastructure in remote areas.
- Government will pursue with Central Drugs Standard Control Organization (CDSCO) to bring Drug Testing Labs in Andhra Pradesh.

- Efforts will be made to train exporters on pre-export inspection and procedures to receive provision of certification for focus sectors.
- Therefore, Government of Andhra Pradesh would strive best for establishment of WTO Cell, which is the World's apex trade regulation institute.

5.4.2. Marketing Support

- GoAP work through AP Trade Promotion Corporation (APTPC) to do the following:

  - Brand Building for "SVAYAM Andhra" - Focus on creating awareness about the state as a resource hub for various products to supply to markets globally
    "Produce to Export" Campaign - Run a campaign throughout the state to create awareness on export market and the opportunities available while providing them with sector intelligence
  - GI Tagging - Identify products unique to Andhra Pradesh and pursue GI tagging along with marketing of these products through proper channels.
  - Empanel Marketing agencies to assist with digital marketing campaigns (paid/unpaid) depending on the exporter's requirement in the target market destination.
  - Form partnerships and pursue MoUs with large organizations who are leaders in their product category as well as with global trade organizations such as ITA, UKTI, USTDA, JETRO, KOTRA etc. and get their support in increasing the reach of entrepreneurs of the state
  - The department will work with Directorate General of Foreign Trade (DGFT) in arranging funding requirement for development of trade centers.

5.5. Capacity Building and Skilling

5.5.1. Training & Capacity Building of exporters

- State EFC in partnership with Export inspection council (EIC), FIEO, DGFT will train exporters on various aspects of trade processes, quality standards and policy incentives.
- Institutions specific to International trade such as Indian Institute of Foreign Trade (IIFT), Kakinada, Indian Institute of Packaging (IIP), Visakhapatnam are being established and courses have been started from the temporary campus.

5.5.2. Training for State Government Officers

- Establishment of **Training-cum-Guidance Centre in Export Promotion in each district** through private participation duly dovetailing the schemes of GoI and the State.

5.5.3. Training programs to unemployed youth

- Andhra Pradesh State Council of Higher Education / Universities / Intermediate Education to consider the proposal of introducing **Foreign Trade** with state specific thrust sectors at Intermediate level and also at degree level

5.6. Support to Export Promotion

GoAP in addition to the incentives given under Industrial Development Policy 2020, will provide following incentives to promote exports.

i. **Subsidy for Reefer Vehicles**: MSMEs having a valid Import Export Code (IEC), will be eligible for investment subsidy of 25% of cost of reefer vehicles of any capacity with new technologies, with maximum cap of INR 10 Lakhs per vehicle (with maximum of two vehicles per unit) in the policy period.

ii. **Subsidy on Certification Charges**: GoAP to give additional 10% subsidy over the subsidy given by GoI to the MSMEs availing quality certification under ZED scheme.

For compulsory marking like Conformity European (CE), China Compulsory Certificates (CCC), Good Manufacturing Practices (GMP), Phytosanitary certificates, Global Food Safety Initiative (GFSI) recognized schemes etc. reimbursement of 50% certification cost subject to a maximum of INR 2 Lakh per unit per annum can be availed by the manufacturer exporters.

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v. **Awards & Recognitions for Exporters:** Major export awards like Best Exporter Award and Award for Quality and other categories of awards to encourage young entrepreneurs will be instituted by the State Government in partnership with organizations like FIEO, FICCI, APEDA, MPEDA etc. for selecting the award winners.

The detailed operating guidelines for the Policy shall be issued separately.

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP